181 (2)

No. 10-721

In The Supreme Court of the United States

SENSIENT TECHNOLOGIES CORP., and SENSIENT FLAVORS, LLC,

Petitioners,

v.

SENSORYEFFECTS FLAVOR COMPANY, d/b/a **SENSORY**EFFECTS FLAVOR SYSTEMS; PERFORMANCE CHEMICALS & INGREDIENTS COMPANY; DIEHL FOOD INGREDIENTS, INC.; and HIGHLANDER PARTNERS, L.P.,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Eighth Circuit

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

In affirming the district court's grant of summary judgment in favor of Respondents, the Eighth Circuit found that Petitioners had presented no evidence that Respondents intended to confuse the public – or their customers – as to the source of their products when they chose the name **Sensory**Effects Flavor Systems for their flavor systems business. The question presented by Petitioners here, on the other hand, relates only to situations in which this type of intent evidence has been adduced: Petitioners query whether the existence of intent evidence gives rise to a presumption that the allegedly infringing trademark is likely to confuse the public. Petitioners claim that there is a split among the circuits on this narrow question, but offer no reason to grant review in cases like this one, where no such evidence exists. In these circumstances, have Petitioners presented this Court with a compelling reason to grant their Petition?

PARTIES TO THE PROCEEDINGS

In Petitioners' list of parties to the proceedings, they have misidentified Respondent **Sensory**Effects Flavor Company, d/b/a **Sensory**Effects Flavor Systems, as SensoryFlavors, Inc. (Pet. ii.) A correct statement of the parties to these proceedings is as follows:

Petitioners here and appellants below are Sensient Technologies Corporation and Sensient Flavors, LLC.

Respondents here and appellees below are **Sensory**Effects Flavor Company, d/b/a **Sensory**Effects Flavor Systems ("SEFS"), Diehl Food Ingredients, Inc. ("Diehl"), Performance Chemicals & Ingredients Company ("PCI"), and Highlander Partners, L.P. ("Highlander").[1]

RULE 29.6 STATEMENTS

I. CORPORATE DISCLOSURE STATEMENT OF RESPONDENT SENSORYEFFECTS FLAVOR COMPANY, d/b/a SENSORYEFFECTS FLAVOR SYSTEMS

Respondent **Sensory**Effects Flavor Company, d/b/a **Sensory**Effects Flavor Systems, states that its

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[1] For ease of discussion, Respondents use the term "SEFS" in this Brief to refer both individually to Respondent **Sensory**Effects Flavor Company, d/b/a **Sensory**Effects Flavor Systems, and collectively to all Respondents.

RULE 29.6 STATEMENTS – Continued

parent company is Performance Chemicals & Ingredients Company. There is no publicly held corporation that owns 10% or more of its stock.

II. CORPORATE DISCLOSURE STATEMENT OF RESPONDENT DIEHL FOOD INGREDIENTS, INC.

Respondent Diehl Food Ingredients, Inc. states that its parent company is Performance Chemicals & Ingredients Company. There is no publicly held corporation that owns 10% or more of its stock.

III. CORPORATE DISCLOSURE STATEMENT OF RESPONDENT PERFORMANCE CHEMICALS & INGREDIENTS COMPANY

Respondent Performance Chemicals & Ingredients Company states that it is owned in part by Highlander Partners, L.P.[2] There is no publicly held corporation that owns 10% or more of its stock.

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[2] Respondent Highlander Partners, L.P. is a limited partnership, not a corporation, and has no disclosure requirements under Rule 29.6.

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STATEMENT OF THE CASE

Petitioners appear to forget in their *Statement of the Case* that they presented a single, narrow question for this Court's review: whether a presumption of likelihood of confusion arises when a trademark plaintiff presents evidence of the defendant's intent to confuse. They appear instead to prefer that the Court review the entire case, evidentiary issues and all, in search of possible error. But they provide no reason for this Court to take on that task. The only reason they offer for this Court to accept this case is their contention that there is a split in the circuits on the question they presented. Unfortunately for them, that question is not one that was reached by the Eighth Circuit or by the district court when those courts granted summary judgment for SEFS.

In an attempt to fit their case into the narrow question they designed, Petitioners have tortured the lower courts' opinions and the undisputed facts. For example, Petitioners claim repeatedly that they presented evidence below that SEFS adopted a name that was "very similar" to Petitioners' trademarks with the intent to confuse the public, and that both the district court and the Eighth Circuit decided to give that evidence "no weight." (Pet. 3, 5-7, 12, 14-15.) These statements are not true. In fact, the lower courts found that the parties' names and marks are both visually and aurally dissimilar and, more significantly here, that Petitioners failed to present any evidence that SEFS had any intent to confuse anyone as to the source of its products when it chose the

name **Sensory**Effects Flavor Systems – using its own federally registered **Sensory**Effects trademark – for its flavor systems business. (Pet. App. 15a-22a, 38a, 45a-49a.) The courts thus did not reach the only question presented here – whether the presumption Petitioners advocate applies in this case – because they found there was no evidence of the only kind of conduct that might, under Petitioners' theory, give rise to that presumption.

Although many of the so-called facts presented by Petitioners have no bearing on the narrow question put to this Court, SEFS now feels obligated to correct the record as to those facts. Accordingly, SEFS provides the following correct statement of the undisputed evidence presented below and the decisions of the lower courts.

This case involves the name chosen for the dairy flavor systems business conducted by SEFS. In mid-February of 2008, SEFS bought the assets of that business from Givaudan Flavors, Inc., a subsidiary of Givaudan Flavors Corporation. (Pet. App. 2a-3a.) By agreement between the parties, SEFS was not permitted to continue using the "Givaudan" name for this business for more than sixty days. (Pet. App. 3a.) For that reason, SEFS renamed the company, choosing the name **Sensory**Flavors, Inc. *Id.* This name was modeled on a federally registered trademark that SEFS already owned – the **Sensory**Effects trademark that had been developed for a sister company – and included a specific reference to the products that were sold by SEFS's new business, sensory flavor

systems. (Pet. App. 3a, 37a-38a; R. 79, Defts' Statement of Uncontr. Facts, ¶¶ 4, 17-18, 25-28, 74; R. 85, Pltffs' Resp.)

SEFS principal Charles Nicolais was primarily responsible for choosing this name. (Pet. App. 2a-3a, 37a.) He arranged for the development of a mark for **Sensory**Flavors Inc. that would mirror the **Sensory**Effects trademark, using the same font, the same multicolor swirl logo, and the same graphic standards that had been developed for that trademark. (Pet. App. 2a-3a, 16a, 37a-38a; R. 79, Defts' Statement of Uncontr. Facts, ¶¶ 25-28, 34-35; R. 85, Pltffs' Resp.) He also sought the advice of the company's attorneys and was told by them that **Sensory**Flavors was available for use. (Pet. App. 3a; R. 79, Defts' Statement of Uncontr. Facts, ¶ 29; R. 85, Pltffs' Resp.)

Within a month of SEFS's purchase of Givaudan's business, and before any products had been sold (or even labeled) with the **Sensory**Flavors name, Petitioners filed this lawsuit without ever having notified SEFS of the alleged infringement or having asked SEFS to cease its use of the new name. (Pet. App. 3a-4a; R. 79, Defts' Statement of Uncontr. Facts, ¶ 49; R. 85, Pltffs' Resp.) Petitioners' complaint included claims for federal trademark infringement, false advertising, and unfair competition, and for state trademark infringement, unfair competition, and trademark dilution. (R. 1, Complaint, 8-10.) Petitioners sought to enjoin SEFS's use of the **Sensory**Flavors name and

moved for a temporary restraining order. (Pet. App. 34a-35a; R. 1, Complaint, 11-12.)

SEFS almost immediately changed the name of its new company to **Sensory**Effects Flavor Company, and the company has, at all times since then, done business as **Sensory**Effects Flavor Systems. (Pet. App. 4a, 35a; R. 79, Defts' Statement of Uncontr. Facts, ¶¶ 50, 53; R. 85, Pltffs' Resp.) Contrary to Petitioners' assertion at page 5 of their Petition, Mr. Nicolais did not change the company's name to "SensoryEffects Flavors"; the company has never gone by this shorter name, but always uses its full d/b/a, **Sensory**Effects Flavor Systems. (Pet. App. 4a, 35a, 46a-47a; R. 79, Defts' Statement of Uncontr. Facts, ¶¶ 50, 53, 70-71; R. 85, Pltffs' Resp.)

In renaming its company, SEFS took its original modeling of the registered **Sensory**Effects trademark one step further, incorporating the trademark into the name itself, and then adding to that trademark only a generic description of SEFS's products, "flavor systems." (Pet. App. 3a-4a; R. 79, Defts' Statement of Uncontr. Facts, ¶¶ 50-51, 69-70, 74; R. 85, Pltffs' Resp.) SEFS again used the same font, the same multicolor swirl logo, and the same graphic standards that had always been used with the **Sensory**Effects trademark. (Pet. App. 4a, 16a; R. 79, Defts' Statement of Uncontr. Facts, ¶¶ 51, 69; R. 85, Pltffs' Resp.)[3]

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[3] Petitioners argue that, in renaming the company, SEFS should have avoided the word "flavor" altogether. To support this

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SEFS's name change naturally affected the course of this case. Although the district court had initially granted Petitioners' motion for TRO as to the original **Sensory**Flavors name, the court canceled the previously scheduled preliminary injunction hearing when SEFS announced its name change. (Pet. App. 35a.) Petitioners amended their complaint to include the new name, but never sought any preliminary injunctive relief to remedy any perceived potential harm from this new name. (Pet. App. 4a, 35a.)

After completing discovery, both SEFS and Petitioners filed motions for summary judgment. Upon determining that there was no genuine issue of material

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argument, Petitioners cite an internal SEFS email, dated after Petitioners had filed this lawsuit, in which the author suggests leaving the word "flavor" out of the company's new name. (Pet. 8-9; R. 76-17, Pltffs' Ex. Q.) However, this document was among those that SEFS moved to strike from Petitioners' summary judgment papers, as it constitutes hearsay and was never properly authenticated. (R. 89 & 90, Defts' Motion to Strike and supporting memo, re Ex. Q.) The district court did not explicitly rule on any particular document challenged by SEFS in that motion, but noted that the court would not consider inadmissible evidence in ruling on the parties' summary judgment motions. (Pet. App. 35a-36a.) The district court never made reference to this document in its opinion. In any event, Petitioners never deposed the employee who purportedly drafted the email, and cannot now claim to understand his intent. Nor can they explain why the views of one skittish employee should affect SEFS's ability to use a word that describes its products as part of an otherwise dissimilar company name. In upholding the district court's judgment in this case, the Eighth Circuit cited the earlier rejection of a similar argument in *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 831 (8th Cir. 1999). (Pet. App. 20a-21a.)

fact as to any of Petitioners' claims, and that SEFS was entitled to judgment as a matter of law as to each of them, the district court granted SEFS's motion, denied Petitioners' motion, and entered judgment in SEFS's favor. (Pet. App. 5a, 34a, 53a, 55a.)

In assessing Petitioners' trademark infringement claims, the district court was required to determine whether SEFS's names had been "used in commerce," and then, if so, whether they were likely to cause confusion with Petitioners' marks. (Pet. App. 41a-43a.) The court found that the original name, **Sensory**Flavors, Inc., had not been "used in commerce," and entered judgment for SEFS on that ground with respect to that name. (Pet. App. 43a, 53a.)

As for the **Sensory**Effects Flavor Systems name, the court balanced the relevant factors and found that the undisputed facts weighed against Petitioners and favored SEFS on four of the six factors applied to determine whether there was a likelihood of confusion with Petitioners' marks. (Pet. App. 43a-50a.) Applying the "sight, sound, and meaning" test, the court found that the parties' names and marks were not similar enough to cause confusion among their customers as to the source of their products. (Pet. App. 45a-47a.) The Eighth Circuit later elaborated on this dissimilarity, noting both the visual differences in marks' colors and typefaces, and the aural differences when the names were stated in full, as used in the market. (Pet. App. 16a-17a.) The district court also found that, due to the sophistication of the parties' customers and the long-term, collaborative

nature of the parties' sales efforts and customer relationships – involving multiple face-to-face meetings with customer representatives, so that products could be customized to the customers' specifications – it was unlikely that any customers would ever be confused as to the source of the parties' products. (Pet. App. 14a, 38a, 46a; R. 79, ¶¶ 64-65; R. 85, Pltffs' Resp.) And, in fact, more than a year into SEFS's business, there was no evidence that anyone had been confused by the SEFS name. (Pet. App. 22a-23a, 49a-50a.)

On the only issue that bears on this appeal, the district court found that Petitioners had presented no evidence that SEFS chose the name **Sensory**Effects Flavor Systems with the intent to confuse its customers as to the source of its products. (Pet. App. 47a-49a.) Rather, the court noted, the evidence confirmed that the name was chosen with a good faith intent to capitalize on a federally registered mark that SEFS already owned, and that the name choice was a logical merger of that trademark and the nature of the business SEFS purchased. (Pet. App. 22a, 38a, 48a-49a.) The court further noted that there was no evidence of any attempt by SEFS to lure Petitioners' customers; that, in fact, Petitioners' own witnesses testified that they knew of no attempt by SEFS to misrepresent its products or to pass those products off as Petitioners'. (Pet. App. 15a, 38a, 48a-49a.) Indeed, SEFS's current customer base is the same Givaudan Flavors customer base that SEFS intended to capture when it entered this market. (Pet. App. 38a.)

Contrary to Petitioners' argument, there was no direct evidence that SEFS's principal decision-maker, Mr. Nicolais, even knew of the "Sensient Flavors" name when he initially chose his company name – he denied that he did. (Pet. App. 19a, 37a, 48a-49a; R. 79, Defts' Statement of Uncontr. Facts, ¶¶ 32-33; R. 85, Pltffs' Resp.) He explained that, although he had previously worked for Sensient's color group, and he knew that there was also a flavor group within the company, he never knew that the group used a "Sensient Flavors" mark. (Pet. App. 19a, 37a, 48a-49a; R. 79, Defts' Statement of Uncontr. Facts, ¶¶ 2, 30; R. 85, Pltffs' Resp.) His own group was not generally known by the equivalent name, "Sensient Colors," but instead identified itself with the corporate brands "Sensient" and "Sensient Technologies." (R. 79, Defts' Statement of Uncontr. Facts, ¶ 30; R. 85, Pltffs' Resp.) Petitioners presented no evidence to rebut this testimony, but have argued only that Mr. Nicolais's knowledge of the name "Sensient Flavors" should be inferred from the circumstances.

But this quibble over whether Mr. Nicolais knew about "Sensient Flavors" before he chose SEFS's name was immaterial to the district court's decision. The court held that, even assuming Mr. Nicolais knew about "Sensient Flavors" from the beginning, that knowledge – or even an intent on his part to compete with Sensient – would not be evidence of the only type of intent that is relevant in trademark infringement cases, the intent to confuse. (Pet. App. 48a-49a.) Indeed, there is no question that Mr. Nicolais knew that Petitioners were claiming

protection for "Sensient Flavors" at the time he chose the new name – **Sensory**Effects Flavor Systems – which is the only name that remains at issue here. After all, Petitioners had already filed this lawsuit when that name was chosen. But that fact did not influence the district court's decision. As the court recognized, knowledge of the name was not material; without evidence of any intent by SEFS to confuse its customers as to the source of its products, Petitioners could not prevail on this factor. (Pet. App. 48a-49a.)[4]

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[4] Despite the lower courts' clear and consistent statements that Mr. Nicolais's knowledge of the "Sensory Flavors" name is immaterial to the resolution of this case, Petitioners continue to insist on the importance of their so-called evidence that he knew of that name when he initially chose **Sensory**Flavors for SEFS's new business. To support this position, Petitioners both misstate the record below and cite to inadmissible, hearsay "evidence." First, Petitioners cite their Appendix B at 48a, the district court's opinion, for their position that they presented "evidence that Nicolais was aware of the Sensient *and Sensient Flavors* marks and was advised to stay away from them." (Pet. 6, emphasis added.) But the court's opinion at that page says exactly the opposite about Mr. Nicolais's awareness of "Sensory Flavors," and says nothing at all about any advice to stay away from that name. (Pet. App. 48a.) In fact, the only advice Mr. Nicolais received prior to choosing the **Sensory**Flavors name came from his attorneys, who told him the name was available. (Pet. App. 3a.) Petitioners also argue that Mr. Nicolais's testimony as to his lack of familiarity with "Sensient Flavors" is implausible because Sensient "has but two major subsidiaries." (Pet. 6.) Petitioners cite nothing in the record to support this statement, and their own witness and their complaint suggest the contrary, that Petitioners sell fragrances, bionutrients, and household and personal products worldwide, through multiple subsidiaries and affiliates. (R. 2-3, Berry Decl., ¶¶ 3, 6, 8; R. 36, Am. Complaint, ¶ 15.)

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Dissatisfied with the district court's judgment, Petitioners appealed to the Eighth Circuit. (Pet. App. 1a-2a.) The Eighth Circuit affirmed, following essentially the same analysis as the district court, including its assessment of Petitioners' evidence of intent to confuse – that is, that there was none. (Pet. App. 19a-22a, 27a.)

Petitioners then petitioned the Eighth Circuit for rehearing *en banc*, and that petition was unanimously denied. (Pet. App. 54a.) Petitioners now ask this Court to grant its Petition for a Writ of *Certiorari*. The Petition should be denied because there is no compelling reason for this Court to review this case.

Finally, at page 8 of the Petition, Petitioners refer to an "internal document" that listed "Sensient Flavors" as one of SEFS's competitors, and argue that Mr. Nicolais's knowledge of the name can be inferred from this document. But, like the email discussed earlier in this Brief, this "internal document" is just more hearsay, a document that Petitioners never bothered themselves to authenticate and that was, like the email, the subject of SEFS's motion to strike. (R. 89 & 90, Defts' Motion to Strike and supporting memo, re Ex. M; R. 76-13, Pltffs' Ex. M; Pet. App. 35a-36a.) In response to Petitioners' summary judgment motion, SEFS submitted the declaration of the former SEFS employee who drafted the document; she attested that no one besides herself, including Mr. Nicolais, had ever seen it, and that she had prepared it after the name **Sensory**Flavors had already been chosen. (R. 88-11, Baxendale Decl., ¶¶ 4-5.) Petitioners presented no evidence to rebut these statements. (R. 88, Defts' Resp. to Ptlffs' Statement of Uncontr. Facts, ¶ 58; R. 95, Pltffs' Reply, ¶ 58.) Thus, even if Mr. Nicolais's knowledge were material, Petitioners have submitted no evidence to show it.

REASONS FOR DENYING THE PETITION

Petitioners do not here challenge the lower courts' decisions in SEFS's favor on the state law claims, or the courts' holdings that the **Sensory**Flavors name was never "used in commerce" and, therefore, did not infringe Petitioners' trademarks. Nor do Petitioners challenge the lower courts' findings, on the issue of likelihood of confusion, that (1) the name **Sensory**-Effects Flavor Systems is not confusingly similar to Petitioners' marks; (2) the sophistication of the parties' customers and the parties' sales methods make it unlikely that customers would ever be confused; and (3) there is no evidence that anyone has actually been confused by SEFS's use of its name.[5] Nor, finally, do Petitioners appear to challenge the Eighth Circuit's decision not to adopt the doctrine of initial interest confusion in the context of this case, despite their inclusion of a footnote regarding that doctrine in their Petition. (Pet. 10, fn. 2.) Rather, Petitioners focus here exclusively on the question of SEFS's intent in

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[5] On the competition factor, which the courts found in Petitioners' favor, Petitioners overstate the record with their assertion that "[t]here is no dispute that this newly named 'Sensory Flavors' and Sensient Flavors are direct competitors." (Pet. 5.) Both the Eighth Circuit and the district court recognized that there are differences in the parties' markets. (Pet. App. 18a, 47a.) SEFS described those differences, as well as the overlap in the parties' markets, in detail in its statement of uncontroverted facts filed with the district court, and Petitioners did not rebut that evidence. (R. 79, Defts' Statement of Uncontr. Facts, ¶¶ 78-80; R. 85 Pltffs' Resp.)

choosing the name **Sensory**Effects Flavor Systems. (Pet. i, 12, 14.)

A. In Affirming Summary Judgment, the Eighth Circuit Found No Evidence of Any Intent by SEFS to Confuse or Deceive Its Customers as to the Source of Its Products.

The circuits agree on the proper treatment of summary judgment motions in trademark infringement cases. Just as in other cases, summary judgment is appropriate in trademark cases when there is no genuine issue as to any material fact. *George & Co., LLC v. Imagination Entm't Ltd.*, 575 F.3d 383, 392 (4th Cir. 2009); *Playtex Prod., Inc. v. Georgia-Pac. Corp.*, 390 F.3d 158, 161 (2d Cir. 2004) (Sotomayor, J.); *AutoZone, Inc. v. Speedbar, Inc.*, 373 F.3d 786, 792-93 (6th Cir. 2004), *superseded by statute on other grounds*, Trademark Dilution Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730; *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 830 (8th Cir. 1999). When the material facts are not in dispute, the proper balancing of the confusion factors is a question of law. *Playtex*, 390 F.3d at 162. "When balancing the factors, district courts generally should not treat any single factor as dispositive; nor should a court treat the inquiry as a mechanical process by which the party with the greatest number of factors wins. . . . Instead, the court 'should focus on the ultimate question of whether consumers are likely to be confused.'" *Id.* at 162 (citations omitted); *accord AutoZone*, 373 F.3d at 793; *Duluth News-Tribune v. Mesabi Publ'g Co.*, 84 F.3d 1093, 1096 (8th Cir. 1996).

Following this standard, both the district court and the Eighth Circuit found that summary judgment in SEFS's favor was appropriate in this case. As relevant to this Petition, both lower courts held that Petitioners presented no evidence that SEFS had acted with the intent to confuse or deceive its customers as to the source of its products; that there was, in fact, evidence only of the contrary. (Pet. App. 15a-22a, 38a, 45a-49a.)

Despite these holdings, Petitioners argue here, as the sole reason for this Court to accept this case, that there is a split among the circuits on the question of whether a presumption of likelihood of confusion arises when a trademark plaintiff has presented evidence of the relevant type of intent, the intent to confuse. However, setting aside the question of whether there is such a split (and, if so, whether it should be resolved in Petitioners' favor), Petitioners have failed to identify any split on the only intent issue that was actually decided by the Eighth Circuit. In this case, both the Eighth Circuit and the district court found that Petitioners failed to present any evidence of the kind of intentional conduct that would give rise to the presumption Petitioners advocate. Petitioners have thus failed to offer any compelling reason for this Court to review this case.

B. The Eighth Circuit's Decision Is Consistent with Decisions in Other Circuits.

Following its earlier decisions in *Luigino's* and in *General Mills, Inc. v. Kellogg Co.*, 824 F.2d 622 (8th Cir. 1987), the Eighth Circuit stated here as follows on the question of intent:

> We believe the intent alleged by Sensient in this case is similar to the allegations in *Luigino's* and *General Mills, Inc.* While the parties strongly dispute the extent of Nicolais's knowledge of the Sensient Flavors name, our precedent demonstrates any knowledge maintained by Nicolais is not dispositive of the inquiry because knowledge of another's product and an intent to compete does not correspond with an intent to mislead.

(Pet. App. 21a.)

Thus, the Eighth Circuit did not ignore Petitioners' evidence, as Petitioners argue. Rather, the court found that evidence of Mr. Nicolais's knowledge, even if it existed, was immaterial to the court's decision.

This expression of the law is consistent with that applied in each of the other circuits that are identified by Petitioners as differing from the Eighth Circuit – the Second, the Fourth, the Sixth, the Ninth, and the Eleventh Circuits. (Pet. 4.)[6] This consistency

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[6] Both Petitioners and the treatise on which they rely put the Eleventh Circuit on both sides of the presumption question.

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among the circuits is evident in their handling of summary judgment motions similar to SEFS's.

For example, in its *Playtex* decision, the Second Circuit affirmed summary judgment for the defendants where there was no evidence of intent to confuse, stating that "[p]rior knowledge of a senior user's mark does not, without more, create an inference of bad faith." 390 F.3d at 166.

In *George*, the Fourth Circuit reached a similar conclusion in similar circumstances. And, in affirming summary judgment for that defendant, the court actually cited with approval the Eighth Circuit decision in *Luigino's* on the intent question. 575 F.3d at 398.

The Sixth Circuit follows this same rule. In *AutoZone*, the court affirmed summary judgment for the defendant, even though the parties had a prior history of litigation regarding their trademarks and the defendant knew about the plaintiff's use of its AutoZone trademark. 373 F.3d at 789, 800. The court reasoned: "[T]here is simply no evidence that Radio Shack chose the POWERZONE mark in order to steal customers from AutoZone." *Id.* at 800.

Similarly, in *One Indus., LLC v. Jim O'Neal Distrib.*, 578 F.3d 1154, 1163-64 (9th Cir. 2009), the Ninth Circuit affirmed summary judgment for the

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(Pet. 4.) In either case, as discussed below, the Eleventh Circuit's handling of cases like this one, where there is no evidence of intent to confuse, follows the Eighth Circuit model.

defendant due to a lack of evidence of the relevant intent to deceive, despite the defendant's prior knowledge of the plaintiff's name and business.

And, finally, in *Dan Tana v. Dantanna's*, 611 F.3d 767, 778-79 (11th Cir. 2010), the Eleventh Circuit affirmed summary judgment for the defendant because there was an undisputed innocent explanation for the defendant's name choice, and there was no evidence of any intent to misappropriate the plaintiff's mark.[7]

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[7] *See also Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 25-26 (1st Cir. 2008) (overturning preliminary injunction against defendant where defendant adopted a name that included a generic phrase describing its product, and there was no evidence that defendant intended to deceive the public); *Packman v. Chicago Tribune Co.*, 267 F.3d 628, 644-45 (7th Cir. 2001) (affirming summary judgment for defendants where there was no evidence that defendants intended to "pass off" their products as plaintiff's, despite their prior knowledge of plaintiff's trademark); *Oreck Corp. v. U.S. Floor Sys., Inc.*, 803 F.2d 166, 173 (5th Cir. 1986) (reversing jury verdict for plaintiff based, in part, on finding no evidence of defendant's intent to pass its goods off as plaintiff's); *Sweats Fashions, Inc. v. Pannill Knitting Co., Inc.*, 833 F.2d 1560, 1565 (Fed. Cir. 1987) (affirming summary judgment for defendant, stating that "an inference of 'bad faith' requires something more than mere knowledge of a prior similar mark."); *Rosetta Stone Ltd. v. Google, Inc.*, No. 1:09-cv-736, 2010 U.S. Dist. LEXIS 78098, at *21-26 (E.D. Va. 2010) (applying Fourth Circuit law to grant summary judgment for defendant, holding that relevant intent is intent to confuse the public, shown generally by defendant's efforts to create knock-offs and pass them off as the plaintiff's, not by defendant's knowledge of the mark); *HBP, Inc. v. Am. Marine Holdings, Inc.*, 290 F. Supp. 2d 1320, 1337-38 (M.D. Fla. 2003), *aff'd*, 129 Fed.

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This rule makes sense. If mere knowledge of a company's trademarks, and an intent to compete with the holder of those marks, were sufficient to raise a presumption that confusion is likely, any well known company with famous trademarks would have a distinct advantage in any trademark litigation with its competitors, and a corresponding advantage in the market. In any trademark litigation between that famous company and its competitors, the competitors would automatically face a presumption of bad faith, and a resulting presumption of infringement, merely by virtue of their familiarity with the plaintiff's famous trademarks. But this is not the purpose for which the trademark laws were enacted; rather, those laws were enacted to prevent one party from benefitting unfairly from the established goodwill and reputation of another, not to thwart legitimate competition. *See One Indus.*, 578 F.3d at 1163-64; *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 53 F.3d 1, 26 (1st Cir. 2008); *Leelanau Wine Cellars, Ltd. v. Black & Red, Inc.*, 502 F.3d 504, 520 (6th Cir. 2007); *Luigino's*, 170 F.3d at 831.

Appx. 601 (11th Cir. 2005) (granting summary judgment for defendant, despite plaintiff's assertion that defendant's innocent explanation of origin of name was implausible); *Checkpoint Sys., Inc. v. Check Point Software Techs., Inc.*, 104 F. Supp. 2d 427, 465 (D. N.J. 2000), *aff'd*, 269 F.3d 270 (3d Cir. 2001) (entering judgment for defendant and finding no evidence of bad intent, despite defendant's prior knowledge of plaintiff's mark and defendant's decision to continue using its name even after receiving plaintiff's cease & desist letter).

The presumption cases that Petitioners cite, which come only from the Second and the Fourth Circuits, do not advance their position. As for the Second Circuit, the decision in *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987), cited by Petitioners at pages 9, 10, and 15 of the Petition, is distinguishable from this case and is, moreover, out of line with that circuit's more recent analyses.

In *Mobil Oil*, the Second Circuit stated that "[i]ntentional copying gives rise to a presumption of a likelihood of confusion[,]" but only after the district court, as factfinder, found that the defendant's name was similar to the plaintiff's famous trademark, and that the defendant had intentionally copied that similar mark. *Id.* at 257-58. The Second Circuit merely upheld these findings of fact. In this case, in contrast, both lower courts found that the parties' names and marks are not similar, and there was no evidence of any "intentional copying" – no "copying" at all – that would give rise to any presumption of confusion. (Pet. App. 15a-22a, 38a, 45a-49a.)

Nor is the *Mobil Oil* opinion consistent with the Second Circuit's more recent analyses of the intent factor. In fact, the *Playtex* decision cited above reflects the Second Circuit's general agreement with Eighth Circuit decisions on that factor. In affirming summary judgment in the defendant's favor, the *Playtex* court explicitly held that neither the knowledge of another's mark nor the intent to compete in the same market would create an inference of the defendant's bad faith. 390 F.3d at 166. Just as the Eighth Circuit

did here, in the absence of any relevant intent evidence, the Second Circuit found dispositive the facts that the marks at issue were dissimilar and the parties' products were not marketed in a way that would lead to confusion. *Id.* at 167. Though not explicitly addressing the question of whether a presumption of confusion should arise when intent evidence is available, the court did state that "no single factor is dispositive" in determining likelihood of confusion. *Id.* at 162; *see also Virgin Enter. Ltd. v. Nawab*, 335 F.3d 141, 151 (2d Cir. 2003) (defendant's bad faith is not "of high relevance" to the question of whether consumer confusion is likely).[8]

Petitioners' Fourth Circuit decision is no more helpful to their position. In *Osem Food Indus. Ltd. v. Sherwood Foods, Inc.*, 917 F.2d 161 (4th Cir. 1990), cited by Petitioners at pages 4 and 14 of the Petition, the presumption applied by the court arose from the fact that the defendant admitted it had intentionally copied the plaintiff's nearly identical trade dress. *Id.* at 163-65. In this case, in contrast, there was, again, no evidence of "intentional copying" – indeed, no similarity. (Pet. App. 15a-22a, 38a, 45a-49a.) As for what constitutes evidence of intent, the Fourth

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[8] The Second Circuit opinion in *My-T Fine Corp. v. Samuels*, 69 F.2d 76 (2d Cir. 1934), cited by Petitioners at pages 13, 14, and 16 of their Petition, is similarly based on an evidentiary finding of intentional copying and, in any event, predates the modern evaluation of the various factors of confusion, as expressed by the Second Circuit in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

Circuit agrees with the Eighth, that it is the intent to confuse the public – the defendant's customers – that is relevant, not the defendant's knowledge of the plaintiff's marks and products. *George*, 575 F.3d at 398.

Petitioners have thus failed to show that the Eighth Circuit's expression of the law in this case is different from that of any other circuit. Indeed, even if Petitioners were to argue that the Eighth Circuit misapplied the circuits' consistently stated rule of law to the facts of this case, that alone would not serve as a compelling reason for this Court to grant review. *See* Sup. Ct. R. 10. The Petition should be denied.

CONCLUSION

Petitioners have not established any compelling reason for this Court to grant their Petition. Respondents therefore respectfully request that the Petition be denied.

Respectfully submitted,

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